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TAGS: [ECON](#) [ENRG](#) [PGOV](#) [IZ](#)
SUBJECT: COR ECONOMIC COMMITTEE ACTIVITIES

REF: A. BAGHDAD 2368
[1](#)B. GENEVA 1479

Classified By: Economic Minister-Counselor Daniel Weygandt for reasons
1.4 (b) and (d).

[1](#)1. (C) Summary: Council of Representatives Member Dr. Amirah Al Baldawi discussed the Economic Committee's activities with EconOffs on August 2. She said that the first workshop on economic reform went well, and included a presentation on the World Trade Organization accession process. Dr. Al Baldawi also described Deputy Prime Minister Barham Salih's presentation of the International Compact with Iraq at a plenary session of the CoR, and said that the Economic Committee would be reviewing the framework Hydrocarbon Law. End summary.

Developing an Economic Reform Strategy

[1](#)2. (C) Dr. Al Baldawi said that the first of several workshops hosted by the Council of Representatives (CoR) was held on July 17 and provided a good starting point for a GOI economic reform strategy (ref A). Participants included members from the private sector and ministry officials. Dr. Al Baldawi said that the private sector representatives complained about the government's insistence on high interest rates; Ministry of Industry and Minerals officials described revitalization of individual State Owned Enterprises but did not have an overall plan; and Ministry of Agriculture officials did not seem to have a strategy either. Ministry of Trade official Abdulhadi Al-Hamiri, who was part of the Iraqi delegation at the first World Trade Organization (WTO) Working Party Meeting in May (ref B), spoke about the WTO accession process and the benefits of membership. He also discussed the need for reforming the Public Distribution System (PDS). Dr. Al Baldawi said that the following meetings would be more focused on specific issues, in order to develop a detailed economic strategy.

ICI and Economic Legislation

[1](#)3. (C) Deputy Prime Minister for Economic Affairs Barham Salih spoke at the plenary session of the Council of Representatives on July 30, highlighting the status of the International Compact with Iraq. Dr. Al Baldawi said that this presentation generally went well, and that it was important for this kind of interaction between the executive and legislative branches. She also noted that the framework Hydrocarbon Law was under review at the Economic Committee, and thought that the intense focus on the law by the USG has not been helpful, as it raises Iraqi suspicions about the law. When asked about the Pension Law, Dr. Al Baldawi said that it was a very important law and should be voted on as soon as possible. She noted that people are delaying retirement because they think their pensions will be higher

if they retire after the law is passed. EconOfs encouraged Dr. Al Baldawi to make sure that the law did not overburden the government budget.

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